

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
 :
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : 08-13555 (JMP)
 :
Debtors. : (Jointly Administered)
 :
 :
 :
 :
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**FIFTH INTERIM FEE APPLICATION OF ERNST & YOUNG LLP
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES AS AUDITORS AND TAX SERVICES
PROVIDERS TO THE DEBTORS AND DEBTORS-IN-POSSESSION
FOR THE PERIOD FROM FEBRUARY 1, 2010 THROUGH MAY 31, 2010**

Name of Applicant: Ernst & Young LLP

Authorized to Provide Professional Services to: the above-captioned debtors and debtors-in-
possession

Date of Retention: January 15, 2009, *nunc pro tunc* to
September 15, 2008

Period for which compensation
and reimbursement are sought: February 1, 2010 through May 31, 2010

Amount of Compensation sought as actual,
reasonable, and necessary: \$25,083.50

Amount of Expense Reimbursement sought
as actual, reasonable, and necessary: \$0.00

This is a(n): monthly X interim final application

Prior Fee Applications Filed:

Date Filed	Period Covered	Fees	Expenses
April 10, 2009	September 15, 2008 through January 31, 2009	\$552,700.00	\$0.00
July 17, 2009	February 1, 2009 through May 31, 2009	\$682,974.50	\$0.00
December 14, 2009	June 1, 2009 through September 30, 2009	\$237,643.10	\$0.00
March 16, 2010	October 1, 2009 through January 31, 2010	\$126,459.90	\$0.00


**COMPENSATION BY PROFESSIONAL
FEBRUARY 1, 2010 THROUGH MAY 31, 2010**

Last Name	First Name	Title	Total Hours Billed	Hourly Billing Rate	Total Compensation
Flagg	Nancy A.	Executive Director	2.9	809	\$2,346.10
Lambert	Karen	Executive Director	5.0	735	\$3,675.00
Blank	Jacob M.	Partner	1.0	821	\$821.00
DeRosa	John A.	Partner	4.8	731	\$3,508.80
Green	Philip L.	Partner	2.0	823	\$1,646.00
Hornecker	Peter L.	Partner	0.2	800	\$160.00
Meisler	Michael A.	Partner	0.4	823	\$329.20
Berger	Shimon A.	Senior Manager	9.9	719	\$7,118.10
Gengler	Charles J.	Senior Manager	0.2	719	\$143.80
Godfrey	Van A.	Senior Manager	1.8	656	\$1,180.80
Gruner	Gerard	Senior Manager	5.3	550	\$2,915.00
O'Brien	Justin	Senior Manager	0.3	719	\$215.70
Bhatti	Shiraz A.	Staff	1.0	160	\$160.00
Talluri	Swathi	Staff	4.8	180	\$864.00
		Total	39.6		\$25,083.50

Compensation \$25,083.50

Total Hours	39.6
Blended Rate	\$633.42

Dated: July 23 2010

A handwritten signature in black ink, appearing to be "W. H. D." followed by a long horizontal flourish.

COMPENSATION BY PROJECT CATEGORY
FEBRUARY 1, 2010 THROUGH MAY 31, 2010

Project Category	Total Hours	Total Fees
Audit and Audit Related	5.5	\$3,075.00
Tax Services	33.1	\$21,848.50
Fee / Employment Applications	1.0	\$160.00
TOTAL	39.6	\$25,083.50

EXPENSE SUMMARY
FEBRUARY 1, 2010 THROUGH MAY 31, 2010

Expense Category	Service Provider (if applicable)	Total Expenses
Transportation	N/A	
Meals	N/A	
Lodging	N/A	
TOTAL		\$0.00

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**FIFTH INTERIM FEE APPLICATION OF ERNST & YOUNG LLP
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES AS AUDITORS AND TAX SERVICES
PROVIDERS TO THE DEBTORS AND DEBTORS-IN-POSSESSION
FOR THE PERIOD FROM FEBRUARY 1, 2010 THROUGH MAY 31, 2010**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the *Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 1388] (the “Compensation Order”), Ernst & Young LLP (“E&Y”) hereby files this Fifth Interim Fee Application for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Debtors and Debtors-in-Possession for the Period from February 1, 2010 through May 31, 2010 (the “Application”). By this Application, E&Y seeks interim allowance pursuant to the Compensation Order with respect to the sums of \$25,083.50 as compensation and \$0.00 for reimbursement of actual and necessary expenses for a total of \$25,083.50 for the period February 1, 2010 through and including May 31, 2010 (the “Compensation Period”). In support of this Application, E&Y respectfully represents as follows:

Background

1. On September 15, 2008 (the “Petition Date”), the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

2. E&Y was retained effective as of the Petition Date by this Court’s Order dated January 15, 2009, *nunc pro tunc* to the Petition Date (the “Retention Order”). The Retention Order authorized E&Y to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

Compensation Paid and Its Source

3. All services for which compensation is requested by E&Y were performed for or on behalf of the Debtors.

4. E&Y has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between E&Y and any other person other than the directors of E&Y for the sharing of compensation to be received for services rendered in these cases.

Fee Application

5. The daily time detail for the E&Y professionals that provided services during the Compensation Period is attached hereto as Exhibit A. To the best of E&Y’s knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Guidelines adopted by the Office of the United States Trustee, Bankr. S.D.N.Y. L.R. 2016-1, Administrative Order M-151 of the Southern District of New York and the Compensation Order.

Actual and Necessary Expenses

6. E&Y incurred no reimbursable expenses during the Compensation Period.

Summary of Services Rendered

7. E&Y, by and through its professionals, has performed all necessary professional services which are described and narrated in detail hereinafter.

Summary of Services By Project

8. The services rendered by E&Y during the Compensation Period can be grouped into the categories set forth below. These categories are generally described below, with a more detailed identification of the actual services provided set forth on the attached Exhibit A. The professionals who rendered services relating to each category are identified, along with the number of hours for each individual and the total compensation sought for each category, in Exhibit A attached hereto.

A. Audit and Audit Related

Fees: \$3,075.00; Total Hours: 5.50

This category includes all matters related to the provision of audit and audit related services, including the provision of advisory services.

B. Tax Services

Fees: \$21,848.50; Total Hours: 33.10

This category includes all matters related to the provision of tax services to the Debtors, including Internal Revenue Code Section 382 analysis, the analysis of the filing requirements of certain non-US subsidiaries and information reporting requirements, as well as discussions and advice related to the tax implications with respect to the bankruptcy.

C. Administrative [Fee / Employment Applications]

Fees: \$160.00; Total Hours: 1.00

This category includes all matters related to preparing applications to retain E&Y and related affidavits and engagement letters, and all time spent preparing, reviewing, filing, circulating and/or relating to monthly invoices and fee statements and applications for E&Y.

Valuation of Services

9. Professionals of E&Y have expended a total of 39.60 hours in connection with this matter during the Compensation Period, as follows:

Last Name	First Name	Title	Total Hours Billed	Hourly Billing Rate	Total Compensation
Flagg	Nancy A.	Executive Director	2.9	809	\$2,346.10
Lambert	Karen	Executive Director	5.0	735	\$3,675.00
Blank	Jacob M.	Partner	1.0	821	\$821.00
DeRosa	John A.	Partner	4.8	731	\$3,508.80
Green	Philip L.	Partner	2.0	823	\$1,646.00
Hornecker	Peter L.	Partner	0.2	800	\$160.00
Meisler	Michael A.	Partner	0.4	823	\$329.20
Berger	Shimon A.	Senior Manager	9.9	719	\$7,118.10
Gengler	Charles J.	Senior Manager	0.2	719	\$143.80
Godfrey	Van A.	Senior Manager	1.8	656	\$1,180.80
Gruner	Gerard	Senior Manager	5.3	550	\$2,915.00
O'Brien	Justin	Senior Manager	0.3	719	\$215.70
Bhatti	Shiraz A.	Staff	1.0	160	\$160.00
Talluri	Swathi	Staff	4.8	180	\$864.00
		Total	39.6		\$25,083.50

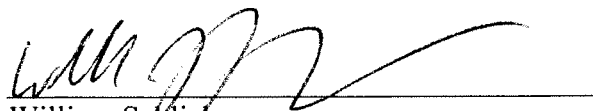
The daily detailed time records of the work performed by these persons is fully set forth in Exhibit A attached hereto. The reasonable value of the services rendered by E&Y to the Debtors during the Compensation Period is \$25,083.50.

10. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by E&Y is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

WHEREFORE, E&Y respectfully requests that the Court authorize that for the period February 1, 2010 through May 31, 2010, an interim allowance be made to E&Y pursuant to the terms of the Compensation Order, with respect to the sum of \$25,083.50 as compensation for necessary professional services rendered, and the sum of \$0.00 as reimbursement of actual necessary costs and expenses, for a total of \$25,083.50 and that any portion of such sums that remains unpaid be authorized for payment by the Debtors, and for such other and further relief as this Court may deem just and proper.

Dated: July 22 2010

Respectfully submitted,



William Schlich
Ernst & Young LLP
5 Times Square
New York, New York
Tel.: (212) 773-3233

*Auditors and Tax Services Providers
for the Debtors and Debtors-in-Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
	:
	:
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS
FOR PROFESSIONALS IN RESPECT OF FIFTH INTERIM FEE
APPLICATION OF ERNST & YOUNG LLP FOR ALLOWANCE
OF COMPENSATION FOR SERVICES RENDERED AND FOR
REIMBURSEMENT OF EXPENSES AS AUDITORS AND TAX SERVICES
PROVIDERS TO THE DEBTORS AND DEBTORS-IN-POSSESSION FOR
THE PERIOD FROM FEBRUARY 1, 2010 THROUGH MAY 31, 2010**

I, William Schlich, hereby certify that:

1. I am a partner with the firm of Ernst & Young LLP (“E&Y LLP”), which maintains an office at 5 Times Square, New York, New York. I have personal knowledge of the facts set forth herein.

2. I submit this Certification in support of the fifth interim fee application dated July 22, 2010 (the “Application”) of E&Y LLP, seeking the entry of an order, pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) granting interim allowance of compensation for services rendered and expenses incurred as auditors and tax services providers to the above-captioned debtors and debtors-in-possession (the “Debtors”) during the period from February 1,

2010 through and including May 31, 2010 (the "Interim Period"), and directing payment of fees and expenses that were not paid or which were previously subject to a holdback.

3. I have read the Application and, to the best of my knowledge, information and belief, formed after reasonable inquiry (a) I have read the Application, (b) to the best of my knowledge, information and belief after reasonable inquiry, the Application complies with the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. section 330 (the "Guidelines"), (c) to the best of my knowledge, information and belief after reasonable inquiry, the fees and expenses sought fall within the Guidelines, except as noted otherwise, (d) except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by E&Y LLP and generally accepted by E&Y LLP's clients, (e) in seeking reimbursement of an expenses, E&Y LLP does not make a profit on that expenditure, whether it is performed by E&Y LLP in-house or through a third party, (f) E&Y LLP has provided the US Trustee, the Debtors, the Creditors' Committee and the fee committee with Monthly Fee Statements for such fees and (g) E&Y LLP has not provided the US Trustee, the Debtors, the fee committee and the Creditors' Committee with a copy of the Application at least ten days before the filing deadline for such Application, but E&Y LLP will provide a copy of the Application to such parties at least twenty (20) days before the date set by this Court for a hearing on the Application.

4. There is no agreement or understanding between E&Y LLP and any other person, other than the members of E&Y LLP, for the sharing of compensation to be received for services rendered or to be rendered in the Chapter 11 Cases.

WHEREFORE, I declare that the above is true and correct to the best of my knowledge.

Dated: July 22, 2010


William Schlich

EXHIBIT A

Lehman Brothers Holdings Inc. & Debtors

Billing Detail

February 1, 2010 - May 31, 2010

Last Name	First Name	Title	Date of Service	Note	Time	Hourly Rate	Total Individual
<u>A1 - Audit and Audit Related</u>							
Gruner	Gerard	Senior Manager	5/18/2010	Accounting consultations with Chris Deegan of LBHI related to the application of GAAP to LAMCO.	1.60	\$ 550	\$ 880
Gruner	Gerard	Senior Manager	5/18/2010	Discussion with Peter Hornecker re: fresh start accounting; impact of push-down accounting	0.20	\$ 550	\$ 110
Hornecker	Peter L.	Partner	5/18/2010	Discussion with Jerry Gruner re: fresh start accounting; impact of push-down accounting	0.20	\$ 800	\$ 160
Gruner	Gerard	Senior Manager	5/19/2010	Accounting consultations with Chris Deegan of LBHI related to the application of GAAP to LAMCO.	1.30	\$ 550	\$ 715
Gruner	Gerard	Senior Manager	5/25/2010	LAMCO accounting consultations with Chris Deegan and others from Lehman/A&M	0.60	\$ 550	\$ 330
Gruner	Gerard	Senior Manager	5/26/2010	LAMCO accounting consultations with Chris Deegan and others from Lehman/A&M	0.20	\$ 550	\$ 110
Gruner	Gerard	Senior Manager	5/27/2010	LAMCO accounting consultations with Chris Deegan and others from Lehman/A&M	1.40	\$ 550	\$ 770
Entities in Bankruptcy Total					5.50		3,075.00
A1- Audit and Audit Related Total					5.50		\$ 3,075.00

A2 - Tax Services

Lehman ITS and CFC Planning

Talluri	Swathi	Staff	2/1/2010	Updating organizational charts and other appendices	0.50	\$ 180	\$ 90
Talluri	Swathi	Staff	2/2/2010	Checking latest version of opinion for cases that need	0.10	\$ 180	\$ 18
Talluri	Swathi	Staff	2/8/2010	Updating binders for cases - creating spreadsheet of	0.30	\$ 180	\$ 54
Green	Philip L.	Partner	2/9/2010	CFC opinion follow up research	0.20	\$ 823	\$ 165
Talluri	Swathi	Staff	2/15/2010	Edits and Formatting appendices and org charts for	1.40	\$ 180	\$ 252

Post-Bkrpt Tax Adv

Project Lehman 382 Study

Gengler	Charles J.	Senior Manager	5/6/2010	Discussion with John DeRosa re: Section 382 project and update of post-bankruptcy analysis	0.20	\$	719	\$	144
DeRosa	John A.	Partner	5/6/2010	Discussion with Charlie Gengler re: Section 382 project and update of post-bankruptcy analysis	0.20	\$	731	\$	146
Blank	Jacob M.	Partner	5/11/2010	Meeting at Lehman with Darryl Steinberg, Jeff Cingoli, John DeRosa and Karen Lambert to discuss	1.00	\$	821	\$	821
Lambert	Karen	Executive Director	5/11/2010	Meeting at Lehman with Darryl Steinberg, Jeff Cingoli, John DeRosa and Jake Blank to discuss	1.00	\$	735	\$	735
DeRosa	John A.	Partner	5/11/2010	382 meeting at Lehman with Albert (A&M), Cingoli (Lehman), Steinberg (Lehman), Blank (EY), Lambert	1.00	\$	731	\$	731
Lambert	Karen	Executive Director	5/25/2010	Review historical data to enable preparation of information request for update of 382 study	0.60	\$	735	\$	441
Lambert	Karen	Executive Director	5/26/2010	Review files for information concerning ownership of shareholder violating trading order	0.20	\$	735	\$	147
Lambert	Karen	Executive Director	5/26/2010	Coordinate EY review of Attorney's letter to shareholder concerning violation of trading order.	0.30	\$	735	\$	221
Godfrey	Van A.	Senior Manager	5/27/2010	Reviewing filings by Franklin and discussing effect	1.80	\$	656	\$	1,181
Lambert	Karen	Executive Director	5/27/2010	Review files for information concerning ownership of shareholder violating trading order	1.30	\$	735	\$	956
Lambert	Karen	Executive Director	5/27/2010	Review files for information needed to update 382	0.90	\$	735	\$	662
Lambert	Karen	Executive Director	5/27/2010	Coordinate EY review of Attorney's letter to shareholder concerning violation of trading order.	0.70	\$	735	\$	515
Project Lehman 382 Study Total					9.20			\$	6,697.80
A2- Tax Services Total					\$ 33.10			\$	21,848.50

A3 - Administration Services

Bankruptcy Billing

Bhatti	Shiraz A.	Staff	3/5/2010	Preparing LBHI & Debtors Bankruptcy Billing	0.40	\$	160	\$	64
Bhatti	Shiraz A.	Staff	5/6/2010	Preparing LBHI and Debtors Bankruptcy Billing	0.60	\$	160	\$	96
Bankruptcy Billing Total					1.00			\$	160.00
A3- Bankruptcy Billing Total					1.00				160.00

Total

<u>39.60</u>	<u>\$ 25,083.50</u>
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